

VA Organizational Health Chain

Healthy VA organizations are places where employees want to work and Veterans want to receive services. We build a healthy organization by investing in people (skills, attitudes), processes (resources, goals), and culture (values, norms). This investment, or **organizational development (OD)**, helps us to identify and improve how staff and their workplace interact—for example, the aspects that help or hinder working well and feeling good about your work.

All members of an organization—leaders, managers, staff—play a key role in building a healthy workplace. They are also part of our **organizational health chain**, which models the overlapping connections in a work environment – the people, processes (systems), and culture.

The VA organizational health chain is adapted from the Heskett et al. *Service-Profit Chain*,^A where *leadership actions* underlie all aspects of the chain beginning with *workplace culture* ('internal quality') driving (→) *employee satisfaction*, which drives (→) *staff loyalty and productivity*, then (→) *external service value*. A valued/quality service then drives (→) *customer satisfaction and loyalty*, which drives (→) *organizational profitability and growth*.

Organizational Health Chain



Building upon the *service-profit* model, the VA organizational health chain emphasizes '**all things connected**' between *individuals and their environment*,^B where the norms, actions, or changes in one group can influence neighboring others. For example, **leaders and culture are primary driving forces in organizational health** – what they do can 'spillover' to affect the workplace, employee, or customer (*leaders/culture* → *workplace, employee, customer*).

Why Care?

While models help illustrate logical pathways of influence, data-based analyses provide the supportive statistical insight to verify 'why care' about this business model. Using VA data on workforce perceptions and performance, here is what we know about these relationships...

- When **VA senior leaders** generate workforce motivation and communicate organizational issues clearly to staff, they promote **workforce** satisfaction and engagement. (Data source: AES, FEVS)
- In **VHA medical centers**, when direct care **providers** experience workplace civility, their **Veteran inpatients** also report greater receipt of civil treatment. (Data source: AES, SHEP)
- When **VA supervisors** respond effectively to workplace conflicts and communicate clearly with staff, their **staff** report greater psychological safety to report errors and learn from mistakes. (Data source: AES, 360-degree assessment)

^A Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser, W.E., & Schlesinger, L.A. (March-April 1994). Putting the service-profit chain to work. *Harvard business Review*, 164-174.

^B Bronfenbrenner, U. (1979). *The ecology of human development: Experiments by nature and design*. Cambridge, MA: Harvard University Press. (ISBN 0-674-22457-4)
Staines, G.: 1980, 'Spillover versus compensation: A review of the literature on the relationship between work and nonwork', *Human Relations* 33, pp. 111-129.

While leaders and culture are driving forces, they are not the only ones shaping organizational health. **Employee interactions** can also inform customer experiences (*employee → customer*), and impact organizational performance measures (*employee → performance*).

- Greater **civility among VA employees** is related to greater satisfaction with one's job and supervisor, positive patient experiences, mission success, and faster claims processing, as well as lower sick leave usage, reduced turnover intentions, and fewer EEO claims.

(Data sources: AES, SHEP, VBA Dashboard, PAID, EEO-CATS, and FEVS)

Remember, with 'all things connected' we all play a role in shaping VA.

Questions?

Please contact the VHA National Center for Organization Development (NCOD) at 513-247-4684 or vhancod@va.gov

